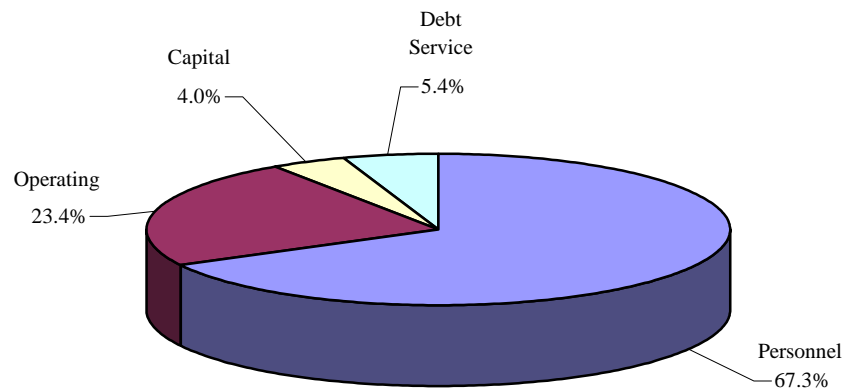


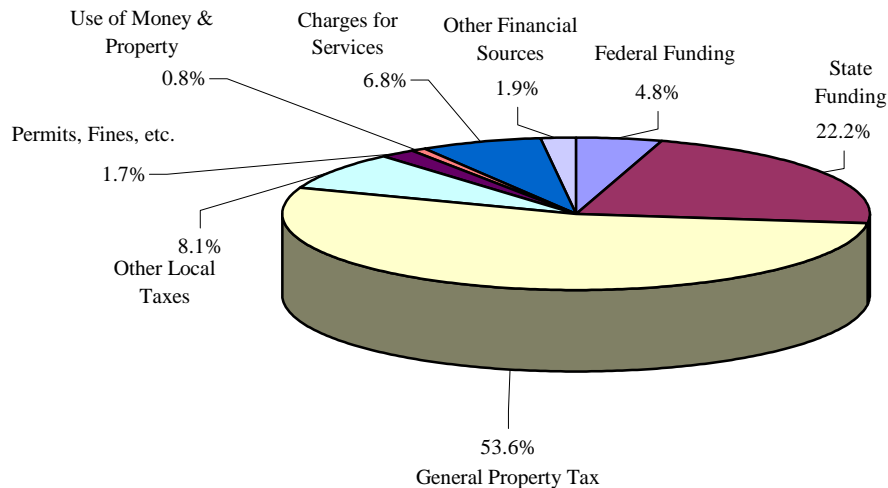
COMBINED REVENUE AND EXPENDITURE ANALYSIS FY 2005 FOR ALL FUNDS

The County's FY 2005 Adopted Budget net of transfers (i.e. transfers between funds) is \$167,281,614. The charts below detail all fund expenditures and revenue by category.

**FY 2005 Adopted \$167,281,614
All Funds Expenditures by Category**



**FY 2005 Adopted \$167,281,614
All Funds Revenue Analysis**



FY 2005 ADOPTED BUDGET

ALL GOVERNMENTAL FUNDS SCHEDULE

	General Fund	Conservation Easement Fund	Joint Communication Fund	Fire and Rescue Fund
Revenues:				
Federal	\$ 1,984,872	0	0	0
State	20,572,768	0	57,142	90,297
Other	89,894,522 *	150,000	951,266	581
County	0	0	0	4,197,948
Total Revenues	\$ 112,452,162	150,000	1,008,408	4,288,826
Expenditures:	\$ 42,938,046	1,338,000	1,243,856	4,288,826
Total Expenditures	\$ 42,938,046	1,338,000	1,243,856	4,288,826
Excess (deficiency) of revenues over expenditures	\$ 69,514,116	(1,188,000)	(235,448)	0
Other financing sources (uses):				
Operating transfers in	\$ 0	0	235,448	0
Operating transfers out	(69,514,116)	0	0	0
Proceeds from indebtedness	0	0	0	0
Operating transfers from/to primary government	0	1,188,000	0	0
Total other financing sources (uses)	\$ (69,514,116)	1,188,000	235,448	0
Excess (deficiency) of revenue & other sources over expenditures and other uses	\$ 0	0	0	0
Fund balances at beginning of year	\$ 22,692,500	0	152,816	1,217,772
Fund balances at end of year	\$ 22,692,500	0	152,816	1,217,772

* See Fund Balance Chart and Revenue Analysis for details.

FY 2005 ADOPTED BUDGET

ALL GOVERNMENTAL FUNDS SCHEDULE

	School Operating Fund	School Textbook Fund	Capital Projects Fund	Total All Govt. Funds
Revenues:				
Federal	3,202,146	0	0	5,187,018
State	28,675,613	250,703	0	49,646,523
Other	361,298	0	0	91,357,667
County	0	0	0	4,197,948
Total Revenues	32,239,057	250,703	0	150,389,156
Expenditures:	98,419,827	658,531	3,926,398	152,813,484
Total Expenditures	98,419,827	658,531	3,926,398	152,813,484
Excess (deficiency) of revenues over expenditures	(66,180,770)	(407,828)	(3,926,398)	(2,424,328)
Other financing sources (uses):				
Operating transfers in	0	0	2,354,398	2,589,846
Operating transfers out	(2,586,198)	0	0	(72,100,314)
Proceeds from indebtedness	0	0	1,572,000	1,572,000
Operating transfers from/to primary government	68,766,968	407,828	0	70,362,796
Total other financing sources (uses)	66,180,770	407,828	3,926,398	2,424,328
Excess (deficiency) of revenue & other sources over expenditures and other uses	0	0	0	0
Fund balances at beginning of year	1,350	143,612	44,053,202	68,261,252
Fund balances at end of year	1,350	143,612	44,053,202	68,261,252

* See Fund Balance Chart and Revenue Analysis for detail

FUND BALANCE – GENERAL FUND

Governmental Funds

General Fund

	FY 2002 Actual	FY 2003 Actual	FY 2004 Adopted	FY 2005 Adopted
Revenues:				
General Property Taxes	\$ 59,998,492	\$ 64,490,211	\$ 64,914,760	\$ 71,181,537
Other Local Taxes	10,602,236	11,727,145	11,402,600	13,604,600
Permits, Privilege Fees and Regulatory Licenses	1,169,124	1,508,077	1,199,865	2,306,905
Fines and Forfeitures	432,297	504,517	357,500	508,350
Revenue from Use of Money and Property	1,511,210	1,421,527	1,415,131	1,406,241
Charges for Services	387,938	1,019,281	452,836	745,564
Miscellaneous	130,225	136,119	93,825	26,700
Recovered Costs	137,878	137,727	114,379	114,625
Intergovernmental:				
Commonwealth	18,513,255	18,412,055	19,178,311	20,572,768
Federal	1,884,027	2,058,211	1,869,414	1,984,872
Total Revenues	\$ 94,766,682	\$ 101,414,870	\$ 100,998,621	\$ 112,452,162
Expenditures:				
Current:				
General Government	\$ 6,333,843	\$ 6,625,921	\$ 7,199,695	\$ 8,300,361
Judicial Administration	2,107,733	2,186,402	2,266,420	2,434,664
Public Safety	7,929,747	8,437,521	8,529,083	9,089,925
Public Works	4,380,582	4,397,446	4,279,566	4,970,486
Health and Welfare	5,324,034	5,787,402	6,502,545	6,889,269
Education	39,912	44,366	44,366	44,366
Culture	1,418,897	3,096,652	1,509,514	3,790,188
Community Development	3,082,944	3,280,733	3,247,062	3,957,102
Non - Departmental	365,507	523,408	1,647,356	2,065,253
Capital Projects	0	0	0	0
Debt Service	466,346	1,072,637	1,398,677	1,396,432
Total expenditures	\$ 31,449,545	\$ 35,452,488	\$ 36,624,284	\$ 42,938,046
Excess (deficiency) of revenues Over Expenditures	\$ 63,317,137	\$ 65,962,382	\$ 64,374,337	\$ 69,514,116
Other financing sources (uses):				
Operating transfers in	\$ 48,959	\$ 26,905	\$ 0	\$ 0
Operating transfers out	(7,934,936)	(8,399,708)	(64,374,337)	(69,514,116)
Transfers to proprietary funds	0	0	0	0
Proceeds from indebtedness	0	0	0	0
Operating transfers from/to primary government	(50,593,480)	(57,183,401)	0	0
Total other financing sources (uses)	\$ (58,479,457)	\$ (65,556,204)	\$ (64,374,337)	\$ (69,514,116)
Excess (deficiency) of revenue & other sources over expenditures & other uses	\$ 4,837,680	\$ 406,178	\$ 0	\$ 0
Fund balances beginning year, restated	\$ 17,448,642	\$ 22,286,322	\$ 22,692,500	\$ 22,692,500
Fund balances at end of year	\$ 22,286,322	\$ 22,692,500	\$ 22,692,500	\$ 22,692,500

FUND BALANCE – CONSERVATION EASEMENT FUND

SPECIAL REVENUE FUNDS
CONSERVATION EASEMENT FUND
Established in FY 2005

	FY 2002 Actual	FY 2003 Actual	FY 2004 Adopted	FY 2005 Adopted
Revenues:				
Federal	\$ 0	\$ 0	\$ 0	0
State	0	0	0	0
Other	0	0	0	150,000
County	0	0	0	0
Total Revenues	\$ 0	\$ 0	\$ 0	150,000
Expenditures:	\$ 0	\$ 0	\$ 0	1,338,000
Total Expenditures	\$ 0	\$ 0	\$ 0	1,338,000
Excess (deficiency) of revenues over expenditures	\$ 0	\$ 0	\$ 0	(1,188,000)
Other financing sources (uses):				
Operating transfers in	\$ 0	\$ 0	\$ 0	
Operating transfers out	0	0	0	0
Proceeds from indebtedness	0	0	0	0
Operating transfers from/to primary government	0	0	0	1,188,000
Total other financing sources (uses)	\$ 0	\$ 0	\$ 0	1,188,000
Excess (deficiency) of revenue & other sources over expenditures & other uses	\$ 0	\$ 0	\$ 0	0
Fund balances beginning year, as adjusted	\$ 0	\$ 0	\$ 0	0
Fund balances at end of year	\$ 0	\$ 0	\$ 0	0

FUND BALANCE – JOINT COMMUNICATIONS FUND

SPECIAL REVENUE FUNDS

JOINT COMMUNICATIONS CENTER FUND

	FY 2002 Actual	FY 2003 Actual	FY 2004 Adopted	FY 2005 Adopted
Revenues:				
Federal	\$ 0	\$ 981	\$ 0	\$ 0
State	90,644	167,549	71,897	57,142
Other	843,080	932,432	865,144	951,266
County	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 933,724</u>	<u>\$ 1,100,962</u>	<u>\$ 937,041</u>	<u>\$ 1,008,408</u>
Expenditures:	<u>\$ 1,061,007</u>	<u>\$ 1,277,801</u>	<u>\$ 1,112,168</u>	<u>\$ 1,243,856</u>
Total Expenditures	<u>\$ 1,061,007</u>	<u>\$ 1,277,801</u>	<u>\$ 1,112,168</u>	<u>\$ 1,243,856</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (127,283)</u>	<u>\$ (176,839)</u>	<u>\$ (175,127)</u>	<u>\$ (235,448)</u>
Other financing sources (uses):				
Operating transfers in	\$ 121,626	\$ 128,878	\$ 175,127	\$ 235,448
Operating transfers out	(32,176)	0	0	0
Proceeds from indebtedness	0	0	0	0
Operating transfers from/to primary government	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total other financing sources (uses)	<u>\$ 89,450</u>	<u>\$ 128,878</u>	<u>\$ 175,127</u>	<u>\$ 235,448</u>
Excess (deficiency) of revenue & other sources over expenditures & other uses	<u>\$ (37,833)</u>	<u>\$ (47,961)</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund balances beginning year, as adjusted	<u>\$ 238,610</u>	<u>\$ 200,777</u>	<u>\$ 152,816</u>	<u>\$ 152,816</u>
Fund balances at end of year	<u>\$ 200,777</u>	<u>\$ 152,816</u>	<u>\$ 152,816</u>	<u>\$ 152,816</u>

FUND BALANCE – FIRE AND RESCUE FUND

SPECIAL REVENUE FUNDS FIRE AND RESCUE FUND

	FY 2002 Actual	FY 2003 Actual	FY 2004 Adopted	FY 2005 Adopted
Revenues:				
Federal	\$ 0	\$ 17,841	\$ 0	\$ 0
State	91,983	93,858	84,225	90,297
Other	2,209	1,175	2,200	581
County	<u>3,318,868</u>	<u>3,889,526</u>	<u>3,958,178</u>	<u>4,197,948</u>
Total Revenues	<u>\$ 3,413,060</u>	<u>\$ 4,002,400</u>	<u>\$ 4,044,603</u>	<u>\$ 4,288,826</u>
Expenditures:				
	<u>\$ 3,072,147</u>	<u>\$ 3,653,667</u>	<u>\$ 4,044,603</u>	<u>\$ 4,288,826</u>
Total Expenditures	<u>\$ 3,072,147</u>	<u>\$ 3,653,667</u>	<u>\$ 4,044,603</u>	<u>\$ 4,288,826</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 340,913</u>	<u>\$ 348,733</u>	<u>\$ 0</u>	<u>\$ 0</u>
Other financing sources (uses):				
Operating transfers in	\$ 6,741	\$ 41,452	\$ 0	\$ 0
Operating transfers out	0	0	0	0
Proceeds from indebtedness	0	0	0	0
Operating transfers from/to primary government	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total other financing sources (uses)	<u>\$ 6,741</u>	<u>\$ 41,452</u>	<u>\$ 0</u>	<u>\$ 0</u>
Excess (deficiency) of revenue & other sources over expenditures & other uses	<u>\$ 347,654</u>	<u>\$ 390,185</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund balances beginning year, as adjusted	<u>\$ 479,933</u>	<u>\$ 827,587</u>	<u>\$ 1,217,772</u>	<u>\$ 1,217,772</u>
Fund balances at end of year	<u>\$ 827,587</u>	<u>\$ 1,217,772</u>	<u>\$ 1,217,772</u>	<u>\$ 1,217,772</u>

FUND BALANCE – SCHOOL OPERATING FUND

SPECIAL REVENUE FUNDS SCHOOL OPERATING FUND

	FY 2002 Actual	FY 2003 Actual	FY 2004 Adopted	FY 2005 Adopted
Revenues:				
Federal	\$ 2,400,766	\$ 2,511,215	\$ 2,710,801	\$ 3,202,146
State	24,350,671	26,733,526	28,011,797	28,675,613
Other	488,819	570,964	265,298	361,298
County	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 27,240,256</u>	<u>\$ 29,815,705</u>	<u>\$ 30,987,896</u>	<u>\$ 32,239,057</u>
Expenditures:				
	<u>\$ 74,809,981</u>	<u>\$ 76,945,253</u>	<u>\$ 88,305,299</u>	<u>\$ 98,419,827</u>
Total Expenditures	<u>\$ 74,809,981</u>	<u>\$ 76,945,253</u>	<u>\$ 88,305,299</u>	<u>\$ 98,419,827</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (47,569,725)</u>	<u>\$ (47,129,548)</u>	<u>\$ (57,317,403)</u>	<u>\$ (66,180,770)</u>
Other financing sources (uses):				
Operating transfers in	\$ 0	\$ 0	\$ 0	\$ 0
Operating transfers out	(9,450,982)	(3,845,703)	(4,009,258)	(2,586,198)
Proceeds from indebtedness	6,410,000	0	0	0
Operating transfers from/to primary government	<u>50,593,480</u>	<u>50,975,251</u>	<u>61,326,661</u>	<u>68,766,968</u>
Total other financing sources (uses)	<u>\$ 47,552,498</u>	<u>\$ 47,129,548</u>	<u>\$ 57,317,403</u>	<u>\$ 66,180,770</u>
Excess (deficiency) of revenue & other sources over expenditures & other uses	<u>\$ (17,227)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund balances beginning year, restated	<u>\$ 18,577</u>	<u>\$ 1,350</u>	<u>\$ 1,350</u>	<u>\$ 1,350</u>
Fund balances at end of year	<u>\$ 1,350</u>	<u>\$ 1,350</u>	<u>\$ 1,350</u>	<u>\$ 1,350</u>

FUND BALANCE – SCHOOL TEXTBOOK FUND

SPECIAL REVENUE FUNDS SCHOOL TEXTBOOK FUND

	FY 2002 Actual	FY 2003 Actual	FY 2004 Adopted	FY 2005 Adopted
Revenues:				
Federal	\$ 0	\$ 0	\$ 0	0
State	0	312,418	0	250,703
Other	0	0	0	0
County	0	0	0	0
Total Revenues	\$ 0	\$ 312,418	\$ 0	250,703
Expenditures:	\$ 0	\$ 630,946	\$ 0	658,531
Total Expenditures	\$ 0	\$ 630,946	\$ 0	658,531
Excess (deficiency) of revenues over expenditures	\$ 0	\$ (318,528)	\$ 0	(407,828)
Other financing sources (uses):				
Operating transfers in	\$ 0	\$ 0	\$ 0	0
Operating transfers out	0	0	0	0
Proceeds from indebtedness	0	0	0	0
Operating transfers from/to primary government	0	462,140	0	407,828
Total other financing sources (uses)	\$ 0	\$ 462,140	\$ 0	407,828
Excess (deficiency) of revenue & other sources over expenditures & other uses	\$ 0	\$ 143,612	\$ 0	0
Fund balances beginning year, restated	\$ 0	\$ 0	\$ 143,612	143,612
Fund balances at end of year	\$ 0	\$ 143,612	\$ 143,612	143,612

FUND BALANCE – CAPITAL PROJECTS FUND

CAPITAL FUNDS

CAPITAL PROJECTS FUND

	FY 2002 Actual	FY 2003 Actual	FY 2004 Adopted	FY 2005 Adopted
Revenues:				
Federal	\$ 30,716	\$ 344,346	\$ 0	\$ 0
State	0	0	0	0
Other	10,511,116	903,138	100,000	0
County	0	0	0	0
Total Revenues	\$ 10,541,832	\$ 1,247,484	\$ 100,000	\$ 0
Expenditures:	\$ 12,030,670	\$ 17,037,647	\$ 11,174,811	\$ 3,926,398
Total Expenditures	\$ 12,030,670	\$ 17,037,647	\$ 11,174,811	\$ 3,926,398
Excess (deficiency) of revenues over expenditures	\$ (1,488,838)	\$ (15,790,163)	\$ (11,074,811)	\$ (3,926,398)
Other financing sources (uses):				
Operating transfers in	\$ 6,441,331	\$ 11,983,208	\$ 5,275,811	\$ 2,354,398
Operating transfers out	(20,000)	0	0	0
Transfers to proprietary funds	0	0	0	0
Proceeds from indebtedness	7,633,998	1,700,000	5,799,000	1,572,000
Operating transfers from/to primary government	9,434,199	0	0	0
Total other financing sources (uses)	\$ 23,489,528	\$ 13,683,208	\$ 11,074,811	\$ 3,926,398
Excess (deficiency) of revenue & other sources over expenditures & other uses	\$ 22,000,690	\$ (2,106,955)	\$ 0	\$ 0
Fund balances beginning year, restated	\$ 24,159,467	\$ 46,160,157	\$ 44,053,202	\$ 44,053,202
Fund balances at end of year	\$ 46,160,157	\$ 44,053,202	\$ 44,053,202	\$ 44,053,202

FY 2005 ADOPTED BUDGET

ALL PROPRIETARY FUNDS SCHEDULE

	Airport Fund	Environmental Landfill Fund	School Nutrition Fund	Fleet Maintenance Fund	Total
Operating Revenues:					
Charges for Services	387,015	5,636,205	2,817,932	1,824,700	10,665,852
Miscellaneous	34,048	165,597	-	-	199,645
Total Operating Revenues	\$ 421,063	\$ 5,801,802	\$ 2,817,932	\$ 1,824,700	\$ 10,865,497
Operating Expenditures:					
Personal services	\$ 67,560	\$ 715,368	\$ 1,378,704	\$ 573,320	2,734,952
Fringe benefits	19,623	185,057	434,872	174,459	814,011
Contractual services	1,285,460	3,706,521	53,000	43,641	5,088,622
Other operating expenses	1,797,505	1,265,562	1,734,198	1,033,280	5,830,545
Depreciation	-	-	-	-	-
Total operating expenditures	\$ 3,170,148	\$ 5,872,508	\$ 3,600,774	\$ 1,824,700	\$ 14,468,130
Operating income (loss)	\$ (2,749,085)	\$ (70,706)	\$ (782,842)	\$ -	\$ (3,602,633)
Nonoperating revenue (expenses)					
Interest income	\$ 2,000	\$ 46,100	\$ -	\$ -	48,100
Loss on sale of assets	-	-	-	-	-
Commonwealth of Virginia - grants	677,085	24,606	48,000	-	749,691
Federal - grants	2,070,000	-	734,842	-	2,804,842
Interest expense	-	-	-	-	\$ -
Total nonoperating revenues (expenses)	\$ 2,749,085	\$ 70,706	\$ 782,842	\$ -	\$ 3,602,633
Income (loss) before transfers	-	-	-	-	-
Transfer in	\$ -	\$ -	\$ -	\$ -	\$ -
Change in net assets	\$ -	\$ -	\$ -	\$ -	\$ -
Net assets, beginning of year, as restated	\$ 6,736,383	\$ 2,211,132	\$ 275,444	\$ 200,566	\$ 9,423,525
Net assets, end of year	\$ 6,736,383	\$ 2,211,132	\$ 275,444	\$ 200,566	\$ 9,423,525

FUND BALANCE – AIRPORT FUND

PROPRIETARY FUNDS

AIRPORT ENTERPRISE FUND

	FY 2002 Actual	FY 2003 Actual	FY 2004 Adopted	FY 2005 Adopted
Operating Revenues:				
Charges for Services	-	146,646	180,920	387,015
Miscellaneous	47,579	-	-	34,048
Total Operating Revenues	\$ 47,579	\$ 146,646	\$ 180,920	\$ 421,063
Operating Expenditures:				
Personal services	\$ -	\$ 16,308	\$ -	\$ 67,560
Fringe benefits	-	3,100	-	19,623
Contractual services	28,203	91,278	733,260	1,285,460
Other operating expenses		19,731	5,147,998	1,797,505
Depreciation	27,471	51,159	-	-
Total operating expenditures	\$ 55,674	\$ 181,576	\$ 5,881,258	\$ 3,170,148
Operating income (loss)	\$ (8,095)	\$ (34,930)	\$ (5,700,338)	\$ (2,749,085)
Nonoperating revenue (expenses)				
Interest income	\$ 3,072	\$ 1,751	\$ -	\$ 2,000
Loss on sale of assets		-	-	-
Commonwealth of Virginia - grants	76,171	227,262	562,080	677,085
Federal - grants	655,880	258,705	5,063,400	2,070,000
Interest expense		-	-	-
Total nonoperating revenues (expenses)	\$ 735,123	\$ 487,718	\$ 5,625,480	\$ 2,749,085
Income (loss) before transfers	727,028	452,788	(74,858)	-
Transfer in	\$ 52,210	\$ 38,642	\$ 35,308	\$ -
Change in net assets	\$ 779,238	\$ 491,430	\$ (39,550)	\$ -
Net assets, beginning of year, as restated	\$ 5,505,265	\$ 6,284,503	\$ 6,775,933	\$ 6,736,383
Net assets, end of year	\$ 6,284,503	\$ 6,775,933	\$ 6,736,383	\$ 6,736,383

FUND BALANCE – ENVIRONMENTAL SERVICES FUND

PROPRIETARY FUNDS ENVIRONMENTAL SERVICES FUND

	FY 2002 Actual	FY 2003 Actual	FY 2004 Adopted	FY 2005 Adopted
Operating Revenues:				
Charges for Services	4,969,042	5,934,606	5,796,651	5,636,205
Miscellaneous	192,071	32,194	-	165,597
Total Operating Revenues	\$ 5,161,113	\$ 5,966,800	\$ 5,796,651	\$ 5,801,802
Operating Expenditures:				
Personal services	\$ 355,032	\$ 638,755	\$ 662,161	\$ 715,368
Fringe benefits	81,535	176,967	175,845	185,057
Contractual services	1,995,405	2,702,445	3,729,121	3,706,521
Other operating expenses	608,098	551,878	1,242,274	1,265,562
Depreciation	160,210	-	-	-
Total operating expenditures	\$ 3,200,280	\$ 4,070,045	\$ 5,809,401	\$ 5,872,508
Operating income (loss)	\$ 1,960,833	\$ 1,896,755	\$ (12,750)	\$ (70,706)
Nonoperating revenue (expenses)				
Interest income	\$ 35	\$ 16,267	\$ -	\$ 46,100
Loss on sale of assets	25,238	-	-	-
Commonwealth of Virginia - grants	34,057	26,423	12,750	24,606
Federal - grants	-	1,207	-	-
Interest expense	(170,966)	(156,476)	-	-
Total nonoperating revenues (expenses)	\$ (111,636)	\$ (112,579)	\$ 12,750	\$ 70,706
Income (loss) before transfers	1,849,197	1,784,176	-	-
Transfer in	\$ 58,508	\$ -	\$ -	\$ -
Change in net assets	\$ 1,907,705	\$ 1,784,176	\$ -	\$ -
Net assets, beginning of year, as restated	\$ (1,366,380)	\$ 426,956	\$ 2,211,132	\$ 2,211,132
Net assets, end of year	\$ 541,325	\$ 2,211,132	\$ 2,211,132	\$ 2,211,132

FUND BALANCE – SCHOOL NUTRITION FUND

PROPRIETARY FUNDS

SCHOOL NUTRITION ENTERPRISE FUND

	FY 2002	FY 2003	FY 2004	FY 2005
	Actual	Actual	Adopted	Adopted
Operating Revenues:				
Charges for Services	2,319,203	2,302,848	2,533,033	2,817,932
Miscellaneous	4,203	-	-	-
Total Operating Revenues	\$ 2,323,406	\$ 2,302,848	\$ 2,533,033	\$ 2,817,932
Operating Expenditures:				
Personal services	\$ 1,128,140	\$ 1,296,497	\$ 1,322,362	\$ 1,378,704
Fringe benefits	300,019	352,676	377,096	434,872
Contractual services	40,825	35,518	45,500	53,000
Other operating expenses	1,330,942	1,340,847	1,453,235	1,734,198
Depreciation	-	-	-	-
Total operating expenditures	\$ 2,799,926	\$ 3,025,538	\$ 3,198,193	\$ 3,600,774
Operating income (loss)	\$ (476,520)	\$ (722,690)	\$ (665,160)	\$ (782,842)
Nonoperating revenue (expenses)				
Interest income	\$ 602	\$ 573	\$ -	\$ -
Loss on sale of assets		-	-	-
Commonwealth of Virginia - grants	44,173	46,282	46,500	48,000
Federal - grants	608,633	636,952	618,660	734,842
Interest expense		-	-	-
Total nonoperating revenues (expenses)	\$ 653,408	\$ 683,807	\$ 665,160	\$ 782,842
Income (loss) before transfers	176,888	(38,883)	-	-
Transfer in	\$ -	\$ 56,600	\$ -	\$ -
Change in net assets	\$ 176,888	\$ 17,717	\$ -	\$ -
Net assets, beginning of year, as restated	\$ 80,839	\$ 257,727	\$ 275,444	\$ 275,444
Net assets, end of year	\$ 257,727	\$ 275,444	\$ 275,444	\$ 275,444

FUND BALANCE – FLEET MAINTENANCE FUND

PROPRIETARY FUNDS FLEET MAINTENANCE FUND

	FY 2002 Actual	FY 2003 Actual	FY 2004 Adopted	FY 2005 Adopted
Operating Revenues:				
Charges for Services	1,513,318	1,693,002	1,776,108	1,824,700
Miscellaneous	-	-	-	-
Total Operating Revenues	\$ 1,513,318	\$ 1,693,002	\$ 1,776,108	\$ 1,824,700
Operating Expenditures:				
Personal services	\$ 450,051	\$ 450,844	\$ 549,287	\$ 573,320
Fringe benefits	118,104	129,331	149,900	174,459
Contractual services	46,920	103,107	67,741	43,641
Other operating expenses	974,177	1,049,735	1,009,180	1,033,280
Depreciation	-	-	-	-
Total operating expenditures	\$ 1,589,252	\$ 1,733,017	\$ 1,776,108	\$ 1,824,700
Operating income (loss)	\$ (75,934)	\$ (40,015)	\$ -	\$ -
Nonoperating revenue (expenses)				
Interest income	\$ -	\$ -	\$ -	\$ -
Loss on sale of assets	-	(20,700)	-	-
Commonwealth of Virginia - grants	-	-	-	-
Federal - grants	-	-	-	-
Interest expense	-	-	-	-
Total nonoperating revenues (expenses)	\$ -	\$ (20,700)	\$ -	\$ -
Income (loss) before transfers	(75,934)	(60,715)	-	-
Transfer in	\$ 6,618	\$ -	\$ -	\$ -
Change in net assets	\$ (69,316)	\$ (60,715)	\$ -	\$ -
Net assets, beginning of year, as restated	\$ 330,596	\$ 261,280	\$ 200,566	\$ 200,566
Net assets, end of year	\$ 261,280	\$ 200,565	\$ 200,566	\$ 200,566

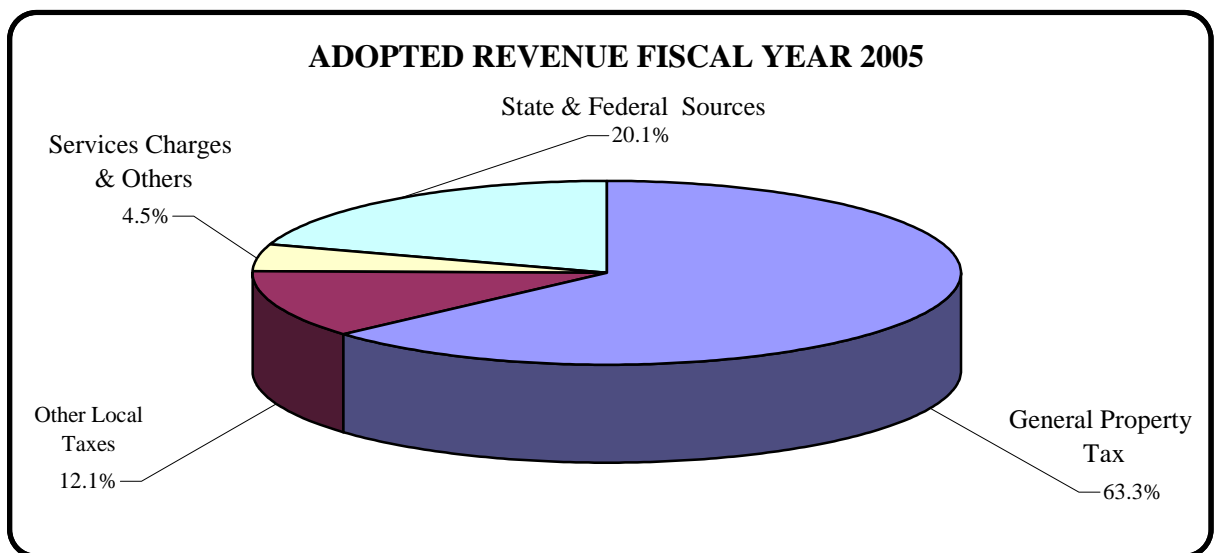
REVENUE ANALYSIS

General Fund:

General Fund revenue is divided into four major categories. These include (1) General Property Taxes, (2) Other Local Taxes, (3) Service Charges Others, (4) State and Federal Sources.

General Property Tax comprises the largest element of General Fund revenue at 63.3 percent. This is a decrease from the FY 2004 adopted amount of 64.3 percent. This is primarily due to the accounting treatment of the State Personal Property Tax Relief. Local Funding accounts for the substantial majority of the projected revenue at 79.9 percent, while State and Federal funding makes up 20.1 percent of the total General Fund Revenue. This breakdown of revenue sources is similar to other jurisdictions in the Commonwealth due to the inability of local governments to tax income.

Function	FY 2002 Actual	FY 2003 Actual	FY 2004 Adopted	FY 2005 Adopted	Increase (Decrease) Amount	FY 2005 Budget as % of Total
General Property Tax	\$ 59,998,492	\$ 64,490,212	\$ 64,914,760	\$ 71,181,537	\$ 6,266,777	63.3%
Other Local Taxes	10,602,238	11,727,144	11,402,600	13,604,600	2,202,000	12.1%
Service Charges Other	3,817,634	4,370,284	3,633,536	5,108,385	1,474,849	4.5%
State & Federal Sources	20,397,281	20,469,705	21,047,725	22,557,640	1,509,915	20.1%
Total	\$ 94,815,645	\$ 101,057,345	\$ 100,998,621	\$ 112,452,162	\$ 11,453,541	100.0%



REVENUE ANALYSIS

General Comments:

A Revenue Committee consisting of key financial staff reviews projected FY 2005 revenues as submitted by the various departments and agencies. In addition, the Committee estimates all General Fund revenue not directly attributed to a department or agency. This Committee includes the County Treasurer, Commissioner of the Revenue, Directors of Finance and Budget, School Budget Officer, the Deputy County Administrator and other supporting staff members. These participants are responsible for detail review and analysis of all revenue related issues throughout the year and make the final recommendations on revenue during the budget process. The Revenue Committee has 91 years of combined budget preparation and revenue estimation experience. Various methods are used by the Revenue Committee and staff to project revenue.

The primary method of estimation used is trend analysis. While this entails a number of variations, the basic elements used are; review of prior years and current year revenue receipts, consideration of factors that affected them, an evaluation of local and national economic forecasts, the impact of any pertinent legislation and an understanding of the governing body's goals and objectives.

Some revenues such as from the State and Federal government are determined by fixed allocations or ratios. As an example, the State Compensation Board allocates funding to Constitutional Offices and the Sheriff's Office based on the number of authorized positions, average salary costs and other related expenses. State and Federal funding to the Department of Social Services and Office of Comprehensive Services determined predominantly on a funding ratio determined by the type and quantity of service provided is another example.

Other illustrations include State funding for the School Division based primarily on a funding formula approved by the State General Assembly. This methodology includes student Average Daily Membership (ADM) in determining the bulk of State school funding. All State school funding is estimated by the State. Locally the only significant factor to consider is the accuracy of the State's estimated local School District's ADM. A March 31st ADM is used in this funding computation.

Total General Fund Revenues for FY 2005 reflect an increase of 11.3 percent, or \$11.5 million compared with the FY 2004 Adopted Budget amount. The FY 2005 tax rates will remain at the FY 2004 level. Positive economic factors including new residential and commercial construction, car and home purchases and a low unemployment rate have spurred revenue growth in the region. Of the increase, \$6.3 million, will be generated from General Property Tax elements, primarily Personal Property Tax revenue. These factors are expected to stimulate revenue sales tax, development fees such as for zoning and inspection and related recording of document fees.

REVENUE ANALYSIS

State revenue was conservatively estimated for FY 2005 due to the delay in budget adoption by the General Assembly. A struggle to close a significant State revenue shortfall resulted in the longest General Assembly budget session ever held. The approved State budget was adopted subsequent to the adoption of the Fauquier County Budget. Despite the delay the results were basically positive with approximately \$2.0 million in additional funds identified for the School Division and \$400,000 for the General County Government. State funding for the Schools will be appropriated at the earliest opportunity and support several key school programs which would have been eliminated or reduced.

A major future funding issue resulting from the General Assembly's budget action that was not as positive was capping support to the Personal Property Tax Relief Program. The specific details of implementation have not been identified at this time. Based on a general understanding of the intent, State revenue to this program would be fixed at the FY 2006 level. This action could result in a significant loss of future revenue to Fauquier County and possibly require an increase in the Personal Property Tax Rates.

Note Beginning in FY 2004 an adjustment was made to reflect the personal property tax reimbursed by the State under the Personal Property Tax Relief Act in the State revenue line. In prior years it had been shown in the personal property line under general property taxes. For simplicity in discussion the narrative comments on personal property tax includes both revenue elements.

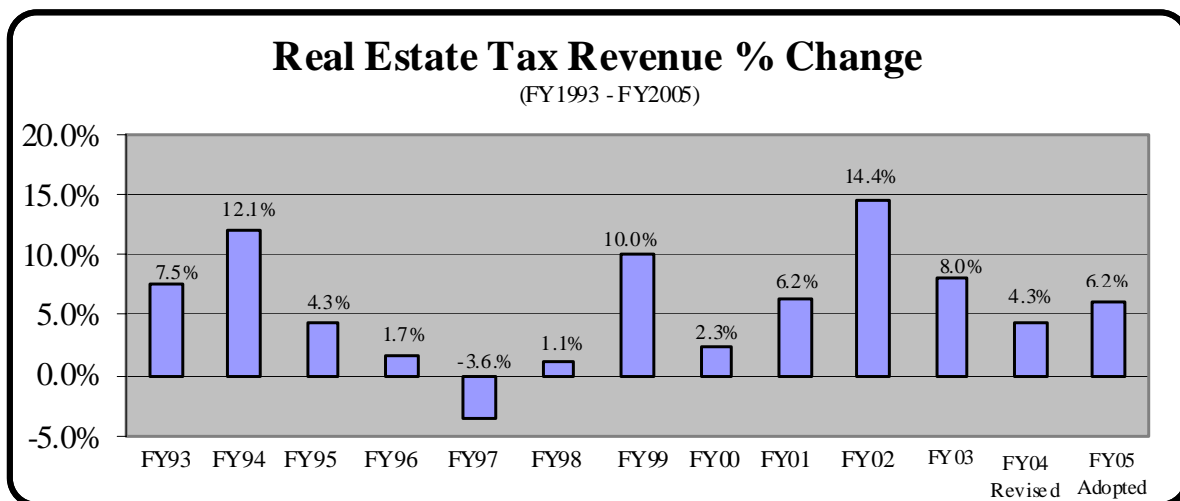


REVENUE ANALYSIS

GENERAL PROPERTY TAXES:

- **Real Estate Revenue:** Real estate revenues are estimated using the assessment of all taxable real property for the current calendar year and projecting the taxable real property for the upcoming year. From 1993 to 2004 the average increase in taxable real property revenue was 5.6 percent. During this time frame there were three reassessments of real property. The County reassesses all real property once every four years. The next reassessment will occur in 2006. In FY 2005, projected building growth, startup of the second peak power generating station and improved collection rates are key elements in the estimated 6.2 percent revenue increase over the FY 2004 revised amounts. The County anticipates receiving \$55.1 million in real estate taxes, including tax payments from Public Service properties and delinquent taxes in FY 2005. At 50 percent of the General Fund revenue this is the largest source of revenue in the County Budget. For FY 2005 the real estate tax rate will remain at \$.92 per \$100 of assessed value and the special Fire and Rescue Levy remains at \$.07. Also for FY 2005 the level of qualification for Tax Relief for the Elderly remains at the maximum State authorized amounts. The FY 2005 real property revenue is based on the following:
 - 4.1 percent increase in the net taxable value of all taxable real property for CY 2004*;
 - 4.0 percent increase in the net taxable value of all taxable real property for CY 2005*;
 - FY 2004 tax relief estimate of \$900,100.
 - Collection rate of 98.3 percent.

* Excludes Public Service assessed property.

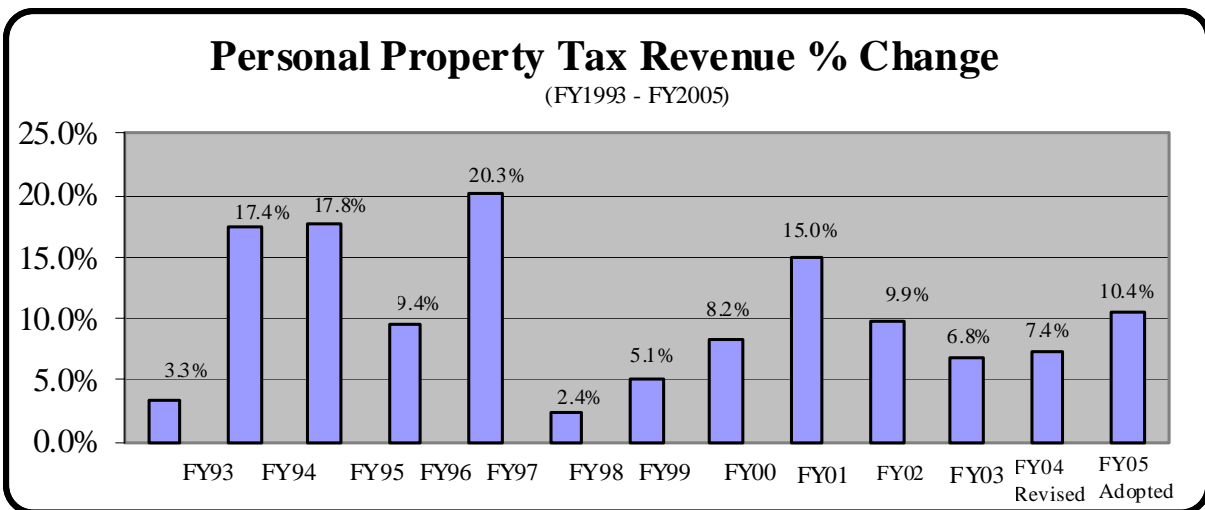


The negative growth reflected in FY 1997 was the result of accrual adjustments by the County auditors. In FY 1998 the County implemented twice yearly tax collections. Real estate collections in that year totaled \$54,404,340. For comparative purpose of this chart the amount has been reduced by the \$17,400,000 initial impact of this accounting adjustment.

REVENUE ANALYSIS

- Personal Property Revenue:** Personal Property Taxes are projected to generate \$27.7 million in receipts for FY 2005. This estimate assumes an increase of 10.4 percent, or \$2.6 million over the FY 2004 Adopted Budget amount of \$25.1 million. This increase primarily reflects the County's population growth, low or no interest rates on automobile loans resulting in the purchase of more new vehicles and an improved tax collection rate. This revenue element has shown a steady increase for the past three years. For FY 2005 the personal property tax rates remain at the FY 2004 level. As indicated previously this amount includes State funding support under the Personal Property Tax Relief Act. The impact of the General Assembly limiting fund support for this issue to the FY 2006 level has not been determined. As the State budget was completed in early May after Fauquier County adopted its budget the procedures and details are still being reviewed. The entire issue may change with the FY 2006 State budget.

The Commissioner of the Revenues prorates personal property.



Personal Property Taxes are estimated based on the assumption of a collection rate of 94.9 percent.

Delinquent Taxes: The County estimates to collect approximately \$1.6 million in delinquent taxes during FY 2005. Projections are based on revenue history of prior years, the areas economic climate and the strong emphasis of the County Treasurer and County Attorney in collecting taxes. This importance on tax collection has continued to reduce the percentage of delinquent tax over the past several years.

Overall total General Property Taxes are estimated to be approximately \$71.2 million in FY 2005. This is a \$3.2 million increase from the FY 2004 revised amount, and as previously stated,

REVENUE ANALYSIS

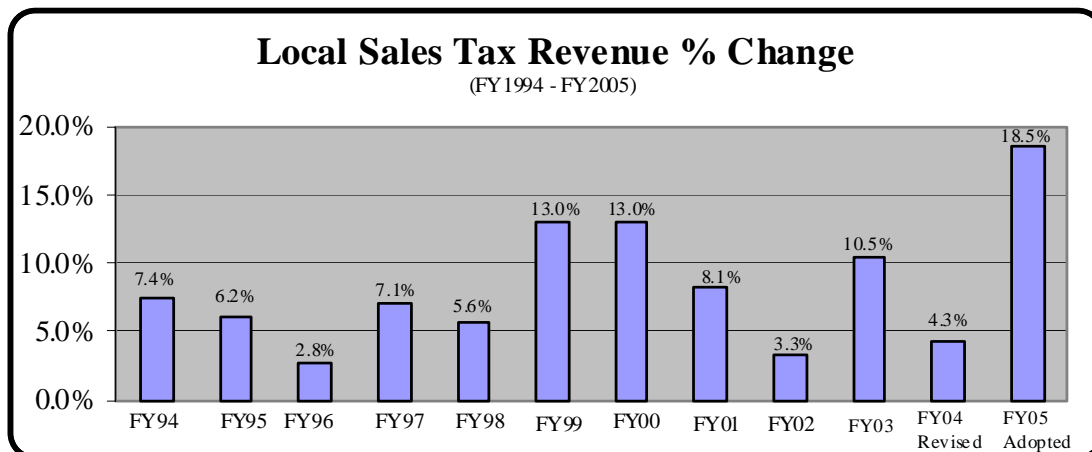
is due to new construction associated with residential growth, addition of the power generating plant, the purchase of newer cars and the improvement to tax collection.

SERVICE, CHARGES & OTHERS: This category of revenue is anticipated to generate \$5.1 million in FY 2005, an increase of \$1.5 million or 40.6 percent over the FY 2004 budget. Included in this category are charges for service, permits, fees and licenses, fines and forfeitures and results of the use of money and property. Projections are primarily based on prior year's history for these sources, development projected, estimated funds available to be invested and anticipated interest rates. Continued low interest rates resulted in maintaining revenue estimates from investments at the FY 2004 level. The Treasurer is responsible for the County's investment program. Funds are invested in securities as outlined in the Virginia Public Deposits Acts and the Code of Virginia. Investment tools primarily consist of certificates of deposit, treasury bills and the Virginia State Treasurer's Investment Pool. Of the increase for FY 2005, \$.5 million represents an accounting adjustment due to Parks and Recreation Department budget moving from a separate fund to the General Fund.

For FY 2005 the bulk, 77.6 percent, of the revenue growth in this category is from development related fees and charges associated with the processing of documents by the Clerk of the Circuit Court's office.

OTHER LOCAL TAXES: For FY 2005 approximately \$13.6 million in revenue is anticipated to be generated within this category. This amount represents an increase of \$2.1 million or 17.9 percent from the FY 2004 Budget. Major elements of this category are:

- **Sales Tax:** Local sales tax is estimated to be \$6.4 million in FY 2005, an increase of \$1.0 million from the FY 2004 Adopted Budget. New businesses and the improving economy is expected to significantly improve sales tax revenue for FY 2005. Sales tax projections are based on prior history, planned business expansion and the overall economic climate of the region.



REVENUE ANALYSIS

- **Utility Taxes:** This tax is levied on all telephone, electric and gas service purchased by County residents. The County anticipates receipts for FY 2005 to increase 21.8 percent to \$2.8 million. Primary reason for this revenue growth is expanding use of cell phones by county residents.
- **Recording Tax and Fees:** Tax levied on deeds, mortgages, leases and contracts have risen sharply in recent years due to population growth and low interest rates. The FY 2005 projected revenue is \$1.5 million or 36.4 percent increase over FY 2004 adopted amount. Projections are based on prior revenue history and expected growth in building development.
- **Business, Professional and Occupational Licenses (BPOL):** In FY 1999 and FY 2001 the BPOL taxes were adjusted to encourage businesses to move to the County and those located here to remain. Business growth quickly has offset the impact of these adjustments with BPOL revenue projected to increase 14.9 percent to \$1.0 million for FY 2005.
- **STATE AND FEDERAL:** Revenue in this category is projected to be \$22.6 million for FY 2005. This is a 7.2 percent increase or \$1.5 million over the FY 2004 adopted amount. Over 73.3 percent (\$1.1 million) of the projected revenue growth will be from for the State's Personal Property Tax Relief Act. The remaining increase is primarily from expansion of State and Federal funding of Social Services related programs such as foster child care and adult abuse prevention.



REVENUES – GENERAL PROPERTY TAXES

REVENUES - GENERAL PROPERTY TAXES

GENERAL FUND					Increase (Decrease)	
	FY 2002 Actual	FY 2003 Actual	FY 2004 Adopted	FY 2005 Adopted	Amount	%
General Property Taxes						
Real Estate Tax	\$ 41,950,085	\$ 46,779,148	\$ 47,718,760	\$ 49,690,007	\$ 1,971,247	4.1%
Public Service	4,071,621	3,215,824	3,163,000	4,201,000	1,038,000	32.8%
Personal Property Tax	11,167,648	12,109,573	11,613,000	14,859,717	3,246,717	28.0%
Delinq Real Estate Tax	1,044,768	897,696	750,000	850,000	100,000	13.3%
Delinq Personal Prop Tax	501,273	379,890	620,000	425,813	(194,187)	-31.3%
Penalties	787,312	758,920	650,000	755,000	105,000	16.2%
Interest	475,785	349,161	400,000	400,000	0	0.0%
Total	\$ 59,998,492	\$ 64,490,212	\$ 64,914,760	\$ 71,181,537	\$ 6,266,777	9.7%

DESCRIPTION: General property taxes are levied on the assessed value of real and personal property owned by business, individuals and public service corporations. Assessments of real property (land, buildings, and improvements) are conducted quadrennial with the results maintained by the Commissioner of the Revenue. The real property tax rate for tax year 2004 is \$.92 per \$100 of assessed value plus an additional special levy of \$.07 per \$100 for support of fire and rescue operations.

Personal property includes vehicles, mobile homes, aircraft, trailers, boats, and machinery and tools. The personal property tax rate on vehicles is \$4.65 per \$100 of assessed value. A tax year special personal property classification created in tax year 1992 for handicapped equipped vehicles has a 2004 rate of \$.05 per \$100 of assessed value. An additional classification for volunteer fire and rescue personnel vehicles was created in 1997. The rate set for tax year 2004 is \$.25 per \$100 of the assessed value.

Taxes for real property are due on June 5th and December 5th of each year. Personal property tax is due October 5th of each year.

PROJECTION: In projecting the real property assessment tax base, the Commissioner of the Revenue must determine the following factors: the previous year's tax base, the value of the land in the County's land use program, the impact of the tax relief for the elderly program, and an estimate of new construction for the upcoming year. The Commissioner of the Revenue relies primarily on new growth projections from the Community Development Department, as well as information from the towns.

Personal property assessments are estimated by the Commissioner of the Revenue based upon projected growth estimates, historical trends and market values of personal property. Beginning January 1, 1996, the Board adopted a system to prorate personal property assessments at the time vehicles are bought and sold.

In Fiscal Year 2005, at the adopted tax rates, General Property Tax represents 63.3 percent of General Fund Revenues. In FY 2004 it represented 64.3 percent.

REVENUES – OTHER LOCAL TAXES

OTHER LOCAL TAXES	FY 2002 Actual	FY 2003 Actual	FY 2004 Adopted	FY 2005 Adopted	Increase (Decrease) Amount	%
Local Sales and Use Tax	\$ 4,841,263	\$ 5,176,688	\$ 5,400,000	\$ 6,400,000	\$ 1,000,000	18.5%
Utility Tax	2,077,345	2,412,306	2,180,000	2,650,000	470,000	21.6%
Utility Consumer Tax	142,771	167,471	150,000	187,000	37,000	24.7%
Motor Vehicle Licenses	1,292,222	1,340,223	1,405,000	1,405,000	0	0.0%
BPOL Tax	878,749	1,051,059	870,000	1,000,000	130,000	14.9%
Cable TV Franchise	252,341	136,093	135,000	140,000	5,000	3.7%
Bank Stock Tax	77,971	152,803	152,600	152,600	0	0.0%
Recording Tax	1,039,576	1,290,501	1,110,000	1,510,000	400,000	36.0%
Transient Occupancy Tax	0	0	0	160,000	160,000	100.0%
Total	\$ 10,602,238	\$ 11,727,144	\$ 11,402,600	\$ 13,604,600	\$ 2,042,000	17.9%

LOCAL SALES AND USE TAXES: The State collects and distributes the local one (1) percent Option Sales and Use Tax. Actual distributions are made to Fauquier County and are based on taxes collected in the County.

UTILITY TAX:

Consumer Tax: The Utility Consumer's tax is a tax levied by the County. It is collected by the utility companies and remitted to the County from residential, industrial and commercial users of electric, gas and telephone services. This tax was amended in 1996 by ordinance to include cellular and mobile radio communications systems. In 2000 it was further amended to incorporate State law changes that converted taxing of gas and electric companies to a consumption tax. The local ordinance was revised October 2000.

The current rate for residential users of telephone service is 20 percent of the first \$15 of each telephone bill. The rate for commercial and industrial users of telephone services is 10 percent of each telephone bill.

License Tax: The revenues collected are remitted to the County from the telephone companies on an annual basis. One-half percent (.5 percent) of the utility company's gross receipts are remitted. Each telephone company files a report with the Commissioner of the Revenue.

MOTOR VEHICLE LICENSES: The Motor Vehicle License revenues are collected in accordance with Section 46.1-65 of the Code of Virginia (1950) as amended. The rates for Fiscal Year 2004 are \$25 dollars for vehicle decals and \$15 for motorcycles.

BUSINESS, PROFESSIONAL AND OCCUPATIONAL LICENSE (BPOL) tax is a gross receipts tax in lieu of a Merchant's Capital Tax. By July 1st, each year businesses with gross receipts greater than \$100,000 are required to pay the BPOL tax. In 1999 the BPOL taxes were eliminated for businesses with gross receipts under \$100,000. BPOL rates, established by the Board of Supervisors, are on a sliding scale based on gross receipts from the prior year. In FY 2001 rates were adjusted for equalization with the Town of Warrenton. In FY 2002 BPOL taxes on gas and electric companies were eliminated and replaced with a consumption tax pursuant to Title 58.1 Chapters 29 and 29.1 Code of Virginia.

BANK STOCK TAXES: The Bank Stock Tax revenues are collected in accordance with Section 58.1-1210 of the Code of Virginia (1950) as amended. These revenues are collected from

REVENUES – OTHER LOCAL TAXES

a tax levied on shareholders by the State at the rate of \$1.00 per \$100 of net taxable capital and distributed 80 percent to the locality where the bank is located and 20 percent to the State. With the expansion of bank branches in the County this revenue is expected to increase significantly for FY 2005.

RECORDATION TAXES: Recordation Taxes are levied on deeds, deeds of trust, mortgages, leases and contracts. These revenues are collected by the Clerk of the Circuit Court and remitted to the County. The fees charged for recording these documents are based on the size of the transaction (i.e. sales price). The large number of home purchases and refinancing is projected to continue to grow in FY 2005 and increase revenue from related document processing.



REVENUES – SERVICES CHARGES & OTHERS

SERVICE CHARGE & OTHERS	FY 2002 Actual	FY 2003 Actual	FY 2004 Adopted	FY 2005 Adopted	Increase (Decrease) Amount	%
Permits, Fees, and Licenses						
Zoning and Inspection Fees	1,160,280	1,497,650	1,193,365	1,812,225	618,860	51.9%
Other	8,844	10,429	6,500	7,000	500	7.7%
Fines and Forfeitures	432,297	504,517	357,500	508,350	150,850	42.2%
Use of Money and Property	1,511,210	1,421,526	1,415,131	1,406,241	(8,890)	-0.6%
Charges for Services						
Excess Fees	211,611	394,869	350,000	550,000	200,000	57.1%
Parks & Recreation Fees	0	0	0	487,680	487,680	100.0%
Library Fees	56,467	61,773	50,000	60,000	10,000	20.0%
Other	119,861	169,535	52,836	135,564	82,728	156.6%
Recovered Costs	137,879	137,728	114,379	114,625	246	0.2%
Miscellaneous	179,185	172,257	93,825	26,700	(67,125)	-71.5%
Total	\$ 3,817,634	\$ 4,370,284	\$ 3,633,536	\$ 5,108,385	\$ 1,474,849	40.6%

PERMITS, FEES AND LICENSES: The revenues generated in this category are those associated with the collection of permits, fees and licenses. The majority of permits under this category are development related. Building permit revenues are estimated based upon projections of new households and commercial and industrial establishments in the County. Animal licenses are estimated proportionally with population growth. Cable Franchise fees are revenues received from a franchise granted for the operation of a cable television service. The fee is equal to 5 percent of the franchise's gross receipts. Other Revenue represents funds received for permit fees or licenses not specifically identified in the categories already listed.

FINES AND FORFEITURES: These revenue sources are collected by the Courts, and are designed to deter behavior contrary to the health, safety and welfare of the citizens of Fauquier County. Court fines and forfeitures are related to the costs of holding court and processing court records and papers. Traffic fines include such violations as driving while intoxicated (DUI) and speeding, as well as non-moving violations such as defective equipment.

USE OF MONEY AND PROPERTY: Revenue from the Use of Money is principally generated through the investments of funds. The County Treasurer is responsible for the County's investment program. Based upon projected cash flow availability, the Treasurer can determine the amount of funds for investment over the fiscal year.

CHARGES FOR SERVICES: Excess Fees consist of revenues collected by the Clerk of the Circuit Court and returned by the State to the County because they were in excess of the amount needed to operate the Clerk's Office. Charges for Parks and Recreation include recreation activity fees; park concession and admission fees were moved to a separate fund. Library fees are charged in regard to use of the Public Library facilities. Other Charges includes Planning and Community Development sale of publications, maps, surveys, rezoning fees, and site plan review fees. Revenues in this category are developed based upon historical trends and projected increases in general population and/or client population groups.

RECOVERED COSTS: The revenue generated from this category includes funding from organizations and agencies outside the general government for services provided to them. An example is jail inmate boarding for other jurisdictions.

MISCELLANEOUS REVENUE: Various revenues in the County's General Fund that do not fit any other revenue classifications, nor do they have a common theme.

REVENUES – STATE & FEDERAL

STATE & FEDERAL SOURCES	FY 2002		FY 2003		FY 2004		FY 2005		Increase (Decrease)	%
	Actual		Actual		Adopted		Adopted		Amount	
State Non-Categorical Aid	\$ 329,472	\$	233,812	\$	168,963	\$	267,707	\$	98,744	58.4%
State Shared Expenses	4,368,487		4,150,414		4,083,683		4,143,970		60,287	1.5%
State Welfare/At Risk Programs	1,486,633		1,558,889		1,832,097		1,815,495		(16,602)	-0.9%
State Other Categorical Aid	1,590,833		1,175,240		1,006,568		1,176,135		169,567	16.8%
State PPTRA*	10,737,830		11,293,699		12,087,000		13,169,461		1,082,461	9.0%
Federal	1,884,026		2,057,651		1,869,414		1,984,872		115,458	6.2%
Total	\$ 20,397,281	\$	20,469,705	\$	21,047,725	\$	22,557,640	\$	1,509,915	7.2%

* Personal Property Tax Relief Act

STATE NON-CATEGORICAL AID: These revenues are raised by the Commonwealth and shared with the County. Ratios, rate and distribution formulas are subject to change each year by the General Assembly. Alcoholic Beverage Control (ABC) revenues represent two-thirds of the net profits of the Alcoholic Beverage Control Commission and are distributed quarterly to counties, based upon the 1990 census. Wine tax revenues are also distributed based on the 1990 census and a percent ratio established annually by the State. Mobile Home Titling taxes are three (3) percent of the price of the sale. Each of these sources is outlined in the State code. After two years of reductions, this revenue Category is projected to increase based on State estimates.

STATE SHARED EXPENSES: Shared Expenses revenue represents the funding for the constitutional officers and is determined by the State Compensation Board on an annual basis. Each year the constitutional officers prepare a proposed budget for the State Compensation Board consideration. FY 2005 reflects little change from FY 2004, (1.5 percent). The amount of funding in this category is primarily generated by services attributed to population growth and supported by the State such as staffing the Sheriff's Office.

STATE WELFARE & AT-RISK PROGRAMS: This revenue is the amount of State revenue received to fund Social Services and the Comprehensive Services Act (CSA) for at-risk youth and their families. The purpose of the CSA program is for State and local agencies, parents, and private service providers to work in collaboration to address the concerns of at-risk youth and their families. The Director of Social Services projects the Social Services revenue each year using estimates received from State and Federal agencies. The CSA program manager estimates that element of revenue based on the operational impact of projected caseload and the State's 54 percent share of agreed on expenses. Little change is also projected in this revenue element for FY 2005 (-0.9 percent).

STATE CATEGORICAL AID: The remainder of the revenues noted under State Sources are received from the State and are designated for specific purposes in the County. These revenues are projected by recipient departments and agencies based upon the latest information available from the State agencies.

STATE PERSONAL PROPERTY TAX RELIEF ACT (PPTRA): In FY 1998 the Commonwealth of Virginia adopted a Personal Property Relief Act with the intent to shift personal property tax burden from the citizens to the State within five years. The slowing of the economy has prevented the State from meeting that initial goal. For FY 2005 the State has indicated the level of support will be below the intended 70 percent level for vehicles costing \$20,000 or less.

FEDERAL REVENUE: Funding from the Federal government is primarily to support community social programs. Revenue projects are based on operational and fiscal agreements with the Federal government and the local jurisdiction to provide specific services.

REVENUES – OTHER FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources of revenue that legally must be used for specific services. These funds include School Operating, School Textbook, Capital Fund, Joint Communications and Fire and Rescue Services.

School Operating Fund:

This fund reflects revenues and expenditures related to the operations of the County's public school system. The primary sources of revenue, exclusive of transfers from the General Fund, are basic school aid payments from the Commonwealth and educational program grants.

School Text Book Fund:

This fund is used to account for the purchase of student text books supported by State revenue and a transfer from the School Operating Fund.

Joint Communications Fund:

This Fund supports the emergency communications system for the County. Primary revenue support is derived from a \$2.00 monthly tax on each telephone line. Additional revenue is received from the State and transfer from the General Fund.

Fire and Rescue Funds:

The Volunteer Fire and Rescue Companies and full time Department of Fire and Emergency Services receive revenue support from a special Fire and Rescue Levy of \$.07 per \$100 of assessed real estate. This Levy provides 97.8 percent of the total supporting revenue to this Fund. \$.045 of the revenue is allocated to the Volunteer Fire and Rescue Fund and \$.025 of the revenue appropriated to Fire and Emergency Services Fund.

Conservation Easement Service District Fund:

The Conservation Easement Service District Fund is supported from revenue generated by roll-back taxes on land currently in special use tax categories which no longer qualifies for the special tax category, reductions of other elements in the General County Government budget and one time funding (\$1.5 million contribution) from the Old Dominion Electric Cooperative.

Capital Funds:

Capital Funds are used to account for financial resources used for the purchase of capital items and the acquisition, design, development, renovation, and/or construction of capital facilities. The bulk of revenue supporting this fund comes from bond proceeds.

Enterprise Funds

Enterprise Funds are used to account for activities that are financed and operated much like businesses. Fauquier County's Landfill, Airport, Fleet Maintenance and School Nutrition Program are Enterprise Funds.

REVENUES – OTHER FUNDS

Environmental Services Fund (Landfill):

This Fund accounts for the operations of the County landfill that includes the handling of solid waste and operating the County recycling program. Tipping fees paid for each ton of waste primarily generate revenue. A special program for demolition and debris waste continues to provide a significant source of revenue for FY 2005.

Airport Fund:

The Airport Fund accounts for operations of the County Airport. The majority of this Fund's revenue is supported through State and Federal grants. Local support is limited to revenue from Business License fees, Real Estate and Personal Property tax related to the airport. Rental of facilities and the sale of fuel support operating costs.

Fleet Maintenance Fund:

This Fund reflects operations of the County's garage. It receives its revenue through charges to local public agencies and County departments for vehicle repairs and fuel.

School Nutrition Program Fund:

The primary source of funding support is through the sale of school meals. Additional State and Federal revenue is also received to provide free and reduced meals for eligible children.

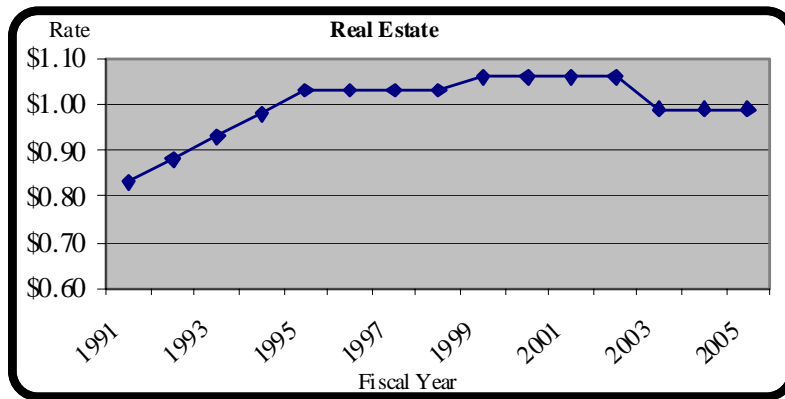


PROPERTY TAX RATE COMPARISON

PROPERTY TAX RATE COMPARISON

Real Property Tax Rates

Fiscal Year	Rate \$
1991	0.83
1992	0.88
1993	0.93
1994	0.98
1995	1.03
1996	1.03
1997	1.03
1998	1.03
1999	1.06
2000	1.06
2001	1.06
2002	1.06
2003	0.99
2004	0.99
2005	0.99



Personal Property Tax Rates

Fiscal Year	Motor Vehicles	Airplanes	Machinery and Tools	Handicapped Equipment	Campers/ Trailers/ Boats	Fire & Rescue
FY 1990	\$ 3.95	\$ 1.50	\$ 3.55	\$ -	\$ -	\$ -
FY 1991	\$ 4.00	\$ 1.50	\$ 4.00	\$ -	\$ -	\$ -
FY 1992	\$ 4.00	\$ 1.50	\$ 4.00	\$ -	\$ -	\$ -
FY 1993	\$ 4.20	\$ 1.50	\$ 4.20	\$ -	\$ -	\$ -
FY 1994	\$ 4.50	\$ 1.50	\$ 4.50	\$ -	\$ -	\$ -
FY 1995	\$ 4.90	\$ 1.50	\$ 4.90	\$ -	\$ -	\$ -
FY 1996	\$ 4.80	\$ 1.50	\$ 4.80	\$ -	\$ -	\$ -
FY 1997	\$ 4.70	\$ 1.50	\$ 4.70	\$ 0.05	\$ 1.50	\$ -
FY 1998	\$ 4.65	\$ 0.60	\$ 4.65	\$ 0.05	\$ 1.50	\$ 0.25
FY 1999	\$ 4.65	\$ 0.60	\$ 4.65	\$ 0.05	\$ 1.50	\$ 0.25
FY 2000	\$ 4.65	\$ 0.60	\$ 4.65	\$ 0.05	\$ 1.50	\$ 0.25
FY 2001	\$ 4.65	\$ 0.60	\$ 4.65	\$ 0.05	\$ 1.50	\$ 0.25
FY 2002	\$ 4.65	\$ 0.60	\$ 4.65	\$ 0.05	\$ 1.50	\$ 0.25
FY 2003	\$ 4.65	\$ 0.60	\$ 4.65	\$ 0.05	\$ 1.50	\$ 0.25
FY 2004	\$ 4.65	\$ 0.60	\$ 4.65	\$ 0.05	\$ 1.50	\$ 0.25
FY 2005	\$ 4.65	\$ 0.60	\$ 4.65	\$ 0.05	\$ 1.50	\$ 0.25